



STATE OF COLORADO

John W. Hickenlooper, Governor

Department of Local Affairs
Reeves Brown, Executive Director

Board of Assessment Appeals
Mike Beery, Director

November 7, 2012

Dianne E. Ray, CPA
State Auditor
Colorado Office of the State Auditor
200 East 14th Avenue, 2nd Floor
Denver, CO 80203

Dear Ms. Ray:

In response to your request, we have prepared an updated status report regarding the implementation of audit recommendations contained in the **December 2011 Performance Audit of the Board of Assessment Appeals**. The attached report provides a brief explanation of the actions taken by the Colorado Board of Assessment Appeals to implement each recommendation.

If you have any questions, please do not hesitate to contact me at 303-866-4910 or by email at mike.beery@state.co.us

Sincerely,

Mike Beery
Division Director

AUDIT RECOMMENDATION STATUS REPORT

AUDIT NAME: Performance Audit of the Board of Assessment Appeals

AUDIT NUMBER: 2141

DEPARTMENT/AGENCY/ENTITY: Colorado Board of Assessment Appeals

AUDIT REPORT DATE: December 2011

SUMMARY INFORMATION

Please complete the table below with summary information for all audit recommendations. **For multi-part recommendations, list each part of the recommendation SEPARATELY.** (For example, if Recommendation 1 has three parts, list each part separately in the table.)

Recommendation Number <i>(e.g., 1a, 1b, 2, etc.)</i>	Agency's Response <i>(i.e., agree, partially agree, disagree)</i>	Original Implementation Date <i>(as listed in the audit report)</i>	Implementation Status <i>(Implemented, Implemented and Ongoing, Partially Implemented, Not Implemented, or No Longer Applicable)</i> Please refer to the attached sheet for definitions of each implementation status option.	Revised Implementation Date <i>(Complete only if agency is revising the original implementation date.)</i>
1a	Agree	June 2013	Partially Implemented	
1b	Agree	June 2013	Implemented	
1c	Agree	June 30, 2012	Implemented	
1d	Agree	June 30, 2013	Not Implemented	
2a	Agree	June 2013	Implemented	
2b	Agree	June 2013	Partially Implemented	
2c	Agree	December 2012	Implemented	
2d	Agree	December 2012	Implemented	
3a	Agree	August 2012	Implemented	
3b	Agree	December 2012	Partially Implemented	
3c	Agree	December 2012	Implemented	
4	Agree	December 2012	Implemented	

Recommendation Number <i>(e.g., 1a, 1b, 2, etc.)</i>	Agency's Response <i>(i.e., agree, partially agree, disagree)</i>	Original Implementation Date <i>(as listed in the audit report)</i>	Implementation Status <i>(Implemented, Implemented and Ongoing, Partially Implemented, Not Implemented, or No Longer Applicable)</i> Please refer to the attached sheet for definitions of each implementation status option.	Revised Implementation Date <i>(Complete only if agency is revising the original implementation date.)</i>
5a	Agree	August 2012	Implemented	
5b	Agree	June 2013	Not Implemented	
5c	Agree	June 2013	Not Implemented	
6	Agree	June 2013	Partially Implemented	

DETAIL OF IMPLEMENTATION STATUS

Recommendation #: 1-a

Agency Addressed: Colorado Board of Assessment Appeals

Recommendation Text in Audit Report:

The Board of Assessment Appeals (the Division) should ensure that property tax appeals are resolved in a timely manner by:

- a. Requesting a written opinion from the Attorney General on the applicability of the 30-day and end-of-the-same-calendar-year time requirements for issuing decisions, both when the Division has a normal workload and when the Division is experiencing an extraordinary workload. If the Attorney General determines that the 30-day or end-of-the-same-calendar-year time requirements apply during times of extraordinary workload, the Division should ensure that decisions are issued within the appropriate time frame. On the basis of the Attorney General's opinion, the Division should work with the Department of Local Affairs to pursue any necessary statutory changes.

Agency's Response (*i.e., Agree, Partially Agree, or Disagree*): Agree. Implementation date: June 2013.

Agency's Written Response in Audit Report:

The Division will request an informal written opinion from the First Assistant Attorney General representing the Board on the applicability of the 30-day and end-of-the-same-calendar-year time requirements for issuing decisions, both when the Division has a normal workload and when the Division is experiencing an extraordinary workload. On the basis of the written opinion, the Division will issue decisions within an appropriate time frame or will work with the Department of Local Affairs to review the benefits of and opportunities for any necessary statutory changes. The Division will request the opinion by February 29, 2012. If statutory changes are necessary, the Division will work with the Department of Local Affairs to review the benefits of and opportunities for statutory changes during the 2013 Legislative Session.

Current Implementation Status of Recommendation (i.e., Implemented, Implemented and Ongoing, Partially Implemented, Not Implemented, or No Longer Applicable): Partially Implemented.

Agency's Current Comments on Implementation Status of Recommendation: The Division has requested a written opinion from the Attorney General. The Division has not received the written opinion from the Attorney General. However, the Division has worked with the Department of Local Affairs to pursue a statutory change relating to this recommendation, and the Department of Local Affairs has consulted with the Governor's Office. The Division met with the Legislative Audit Committee on October 15, 2012 concerning potential sponsorship of a bill to address this issue. The Legislative Audit Committee referred the matter to Bob Lackner, Esq. at Legislative Legal Services to draft a bill for review by the committee. The Division has been working with Mr. Lackner on the draft of the bill.

Recommendation #: 1-b

Agency Addressed: Colorado Board of Assessment Appeals

Original Recommendation in Audit Report:

The Board of Assessment Appeals (the Division) should ensure that property tax appeals are resolved in a timely manner by:

- b. Evaluating the costs and benefits of using contract hearing officers to help manage increased workloads. If necessary, on the basis of this evaluation, the Division should work with the Department of Local Affairs to pursue legislation to clarify provisions related to the Division's statutory authority to contract with hearing officers to hear cases and issue decisions.

Agency's Response (*i.e., agree, partially agree, disagree*): Agree. Implementation date: June 2013.

Agency's Written Response in Audit Report:

The Division will evaluate the costs and benefits of using contract hearing officers to help manage increased workloads. If necessary, on the basis of this evaluation, the Division will work with the Department of Local Affairs to review the benefits of and the opportunities for any necessary statutory changes. The Division will complete the evaluation by July 31, 2012. If statutory changes are necessary, the Division will work with the Department of Local Affairs to review the benefits of and opportunities for statutory changes during the 2013 Legislative Session.

Current Implementation Status of Recommendation (i.e., Implemented, Implemented and Ongoing, Partially Implemented, Not Implemented, or No Longer Applicable): Implemented.

Agency's Comments on Implementation Status of Recommendation: The Division has evaluated the costs and benefits of using contract hearing officers to help manage increased workloads. Contract hearing officers would be significantly more expensive to use than using Board members for hearings. In the Denver-metro area, contract hearing officers are typically paid around \$75.00 per hour for their services at the County Board of Equalization level. Board members are paid \$150 per diem. Without additional funding, the Division does not believe that it would be possible to use contract hearing officers. However, based on the hearing officer concept suggested by the audit report, the Division has implemented the use of an on-staff hearing officer to assist Board members during hearings and for mediation and facilitator services. In place of a staff member who left the Division, the BAA has hired a new staff person (through a temporary agency) who has the skill set of a hearing officer and who also has significant experience in mediation services. During the next few months, the BAA will hire an individual who has the skill set of a hearing officer/mediator on a permanent basis.

Recommendation #: 1-c

Agency Addressed: Colorado Board of Assessment Appeals

Original Recommendation in Audit Report:

The Board of Assessment Appeals (the Division) should ensure that property tax appeals are resolved in a timely manner by:

- c. Developing internal timeliness goals for all types of appeals (county boards of equalization, boards of county commissioners, and State Property Tax Administrator) and for each phase of the appeals process, including accepting petitions, scheduling and completing hearings, and issuing decisions.

Agency's Response (*i.e., agree, partially agree, disagree*): Agree. Implementation date: June 30, 2012.

Agency's Written Response in Audit Report:

The Division will develop internal timeliness goals for all types of appeals (county boards of equalization, boards of county commissioners, and State Property Tax Administrator) and for the following phases of the appeals process: accepting petitions, scheduling and completing hearings, and issuing decisions. The Division will complete the development of the internal timeliness goals by June 30, 2012.

Current Implementation Status of Recommendation (i.e., Implemented, Implemented and Ongoing, Partially Implemented, Not Implemented, or No Longer Applicable): Implemented.

Agency's Comments on Implementation Status of Recommendation: The Division has developed and implemented written internal timeliness goals for all types of appeals (county boards of equalization, board of county commissioners, and State Property Tax Administrator) and for the following phases of the appeals process: accepting petitions, scheduling and completing hearings, and issuing decisions.

Recommendation #: 1-d

Agency Addressed: Colorado Board of Assessment Appeals

Original Recommendation in Audit Report:

The Board of Assessment Appeals (the Division) should ensure that property tax appeals are resolved in a timely manner by:

- d. Continuing initial efforts to develop an online petition filing system.

Agency's Response (*i.e., agree, partially agree, disagree*): Agree. Implementation date: June 30, 2013.

Agency's Written Response in Audit Report:

The Division will continue initial efforts to develop an online petition filing system. The Division will work with the Office of Information Technology to (1) define the scope of the project including key objectives, constraints, and risks; (2) identify key deliverables and staffing needs; (3) develop a preliminary schedule for the project based on staff availability, business requirements, and constraints; and (4) periodically review progress and adjust the project plan as needed until the project is completed. Subject to available funding and availability of Governor's Office of Information Technology staff and resources, the Division's goal is to fully implement an online petition filing system by June 30, 2013.

Current Implementation Status of Recommendation (i.e., Implemented, Implemented and Ongoing, Partially Implemented, Not Implemented, or No Longer Applicable): Not Implemented.

Agency's Comments on Implementation Status of Recommendation: Due to resource limitations, the Division has not started implementation of this item. The Division anticipates beginning implementation of this item during the first quarter of 2013.

Recommendation #: 2-a

Agency Addressed: Colorado Board of Assessment Appeals

Original Recommendation in Audit Report:

The Board of Assessment Appeals (the Division) should ensure that it more efficiently uses its resources when assigning Board members to preside over hearings and issuing decisions by:

- a. Establishing a process for taking into account case complexity when determining how many Board members should be assigned to hear a case. This may include assigning only one Board member or using contract hearing officers to hear more routine, less complex cases.

Agency's Response (*i.e., agree, partially agree, disagree*): Agree. Implementation date: June 2013.

Agency's Written Response in Audit Report:

The Division will establish a process for taking into account case complexity when determining how many Board members should be assigned to hear a case. Subject to available funding and the adoption of any necessary changes to statutes or rules, the process may include assigning only one Board member or using contract hearing officers to hear more routine, less complex cases. The Division will establish a process for taking into account case complexity by June 30, 2012. If statutory changes are necessary to fully implement the process, the Division will work with the Department of Local Affairs to review the benefits of and opportunities for statutory changes during the 2013 Legislative Session.

Current Implementation Status of Recommendation (i.e., Implemented, Implemented and Ongoing, Partially Implemented, Not Implemented, or No Longer Applicable): Implemented.

Agency's Comments on Implementation Status of Recommendation: The Division has established a process for taking into account case complexity when determining how many Board members should be assigned to hear a case. The process is as follows: At the time the Board's Administrator assigns Board members to hear specific appeals, the Administrator reviews the approximate amount of tax involved in the appeal, which is one indicator of the complexity of the case.

For less complex cases where the amount of the tax involved in the appeal is small, the Administrator can now assign only one Board member and a staff hearing officer to participate with the parties in a Board-ordered mediation session for the appeal. The mediation sessions are non-binding. The Board has granted the Administrator a delegation to set cases for mediation. Board-ordered mediation sessions have been very successful in reducing

the resources necessary for non-complex appeals. In most cases, the mediation sessions result in a stipulated agreement between the parties. For the remaining non-complex appeals that do not result in stipulated agreements as a result of the mediation, the parties are given the option to have one board member hear the appeal in order to save resources, subject to concurrence of another board member. This process is consistent with existing statute.

For complex cases where the amount of tax involved is significant, the Administrator can now assign more than the typical two Board members to hear the appeal. The Administrator may also order a pre-hearing conference in order to simplify the hearings for these appeals.

Recommendation #: 2-b

Agency Addressed: Colorado Board of Assessment Appeals

Original Recommendation in Audit Report:

The Board of Assessment Appeals (the Division) should ensure that it more efficiently uses its resources when assigning Board members to preside over hearings and issuing decisions by:

- b. Seeking an opinion from the Attorney General as to whether the Division currently has the authority to issue summary orders or whether statutory changes are needed. If statutory changes are needed, the Division should work with the Department of Local Affairs to pursue the statutory authority for the Board to issue summary orders as well as full orders.

Agency's Response (*i.e., agree, partially agree, disagree*): Agree. Implementation date: June 2013.

Agency's Written Response in Audit Report:

The Division will request an informal written opinion from the First Assistant Attorney General representing the Board as to whether it currently has the authority to issue summary orders or whether statutory changes are needed for the Board to issue summary orders. For purposes of this response, the term "summary order" is defined as an order of the Board after a hearing that (1) does not contain specific findings of fact or conclusions of law but simply informs the parties of the Board's decision of either denying the petition or granting the petition and ordering the value of the subject property to be reduced to an amount specified by the Board, and (2) requires a party who is dissatisfied with a summary order to request and obtain a full order (containing specific findings of fact and conclusions of law) from the Board as a prerequisite to filing an appeal with the Colorado Court of Appeals. If the Division currently has the authority to issue summary orders, the Division will develop a process for issuing summary orders in cases deemed appropriate by the Board. If statutory changes are necessary for the Board to issue summary orders, the Division will work with the Department of Local Affairs to review the benefits of and opportunities for any necessary statutory changes to obtain the authority to issue summary orders in cases deemed appropriate by the Board.

The Division will request the opinion by February 29, 2012. If statutory changes are necessary to issue such summary orders, the Division will work with the Department of Local Affairs to review the benefits of and opportunities for statutory changes during the 2013 Legislative Session.

Current Implementation Status of Recommendation (i.e., Implemented, Implemented and Ongoing, Partially Implemented, Not Implemented, or No Longer Applicable): Partially Implemented.

Agency's Comments on Implementation Status of Recommendation: The Division has requested a written opinion from the Attorney General. The Division has not received the written opinion from the Attorney General. However, the Division has worked with the Department of Local Affairs to pursue a statutory change relating to this recommendation, and the Department of Local Affairs has consulted with the Governor's Office. The Division met with the Legislative Audit Committee on October 15, 2012 concerning potential sponsorship of a bill to address this issue. The Legislative Audit Committee referred the matter to Bob Lackner, Esq. at Legislative Legal Services to draft a bill for review by the committee. The Division has been working with Mr. Lackner on the draft of the bill.

Recommendation #: 2-c

Agency Addressed: Colorado Board of Assessment Appeals

Original Recommendation in Audit Report:

The Board of Assessment Appeals (the Division) should ensure that it more efficiently uses its resources when assigning Board members to preside over hearings and issuing decisions by:

- c. Developing and implementing a process for holding prehearing conferences, either on a regular basis or as an option available to taxpayer petitioners and county respondents.

Agency's Response (*i.e., agree, partially agree, disagree*): Agree. Implementation date: December 31, 2012.

Agency's Written Response in Audit Report:

The Division will develop and implement a process for holding prehearing conferences, either on a regular basis or as an option available to taxpayer petitioners and county respondents. Subject to available funding and any necessary rule changes, the Division will implement part c of Recommendation No. 2 by December 31, 2012.

Current Implementation Status of Recommendation (i.e., Implemented, Implemented and Ongoing, Partially Implemented, Not Implemented, or No Longer Applicable): Implemented.

Agency's Comments on Implementation Status of Recommendation: The Division has developed and implemented a process for holding pre-hearing conferences. Taxpayers and counties now have an option to request a pre-hearing conference. A pre-hearing conference provides an opportunity for the parties to meet with the Board's staff in advance of a hearing in order to clarify the issues for the hearing and to make agreements that will simplify the hearing. This option is listed on the BAA's web page. The Board has also granted a delegation to the Administrator to schedule pre-hearing conferences and mediation sessions for pending appeals in order to ascertain facts about the appeals and to assist the parties in narrowing the issues to be resolved at hearing.

Recommendation #: 2-d

Agency Addressed: Colorado Board of Assessment Appeals

Original Recommendation in Audit Report:

The Board of Assessment Appeals (the Division) should ensure that it more efficiently uses its resources when assigning Board members to preside over hearings and issuing decisions by:

- d. Increasing the facilitator services offered to parties, especially those less likely to be familiar with hearing processes.

Agency's Response (*i.e., agree, partially agree, disagree*): Agree. Implementation date: December 31, 2012.

Agency's Written Response in Audit Report:

The Division will perform research in order to determine what additional facilitator services can be offered to parties, especially those less likely to be familiar with hearing processes. The Division will increase the facilitator services offered to parties to the extent possible with existing resources and will request additional resources, as necessary. The Division will implement part d of Recommendation No. 2 by December 31, 2012.

Current Implementation Status of Recommendation (i.e., Implemented, Implemented and Ongoing, Partially Implemented, Not Implemented, or No Longer Applicable): Implemented.

Agency's Comments on Implementation Status of Recommendation: The Division researched the kinds of additional facilitator services that can be offered to the parties, and the Division has increased facilitator services offered to parties, especially those less likely to be familiar with the hearing process. The Division now offers facilitator services that are designed to facilitate communication and clarify issues and help parties analyze the strengths and weaknesses of their cases. Specifically, the Board has granted the Administrator a delegation to set cases for mediation and pre-hearing conferences. The Division has hired staff with the skill set to provide mediation and pre-hearing conferences. The Division offers all parties the ability to request pre-hearing conferences with the Board's staff. Pre-hearing conferences provide parties an opportunity to meet with the Board's staff in advance of a hearing in order to clarify the issues for the hearing and to make agreements that will simplify the hearing. The Division also has a process in place to facilitate the resolution of cases through mediation. Mediation sessions are used in non-complex cases where the amount of tax involved is small. These cases are precisely the type of cases where the taxpayer is less likely to be familiar with the hearing process. For those cases where mediation is unsuccessful, the Division has the opportunity to meet with the taxpayer prior to the hearing in order to facilitate a better understanding of the hearing process.

Recommendation #: 3-a

Agency Addressed: Colorado Board of Assessment Appeals

Original Recommendation in Audit Report:

The Board of Assessment Appeals (the Division) should ensure that parties to a property tax appeal appropriately exchange information prior to the hearing by:

- a. Continuing to develop and distribute “helpful hints” and clear informational materials regarding requirements to exchange information prior to a hearing.

Agency’s Response (*i.e., agree, partially agree, disagree*): Agree. Implementation date: August 31, 2012.

Agency’s Written Response in Audit Report:

The Division will update its “helpful hints” and informational materials regarding requirements to exchange information prior to a hearing. The Division will implement part a of Recommendation No. 3 by August 31, 2012.

Current Implementation Status of Recommendation (i.e., Implemented, Implemented and Ongoing, Partially Implemented, Not Implemented, or No Longer Applicable): Implemented.

Agency’s Comments on Implementation Status of Recommendation: The Division has updated its “helpful hints” and informational materials regarding requirements to exchange information prior to hearing. The updated helpful hints and informational materials include new brochures that are available on the Board’s web page, in the Board’s office and by mail. The new brochures include two brochures that specifically address the document exchange requirement: (1) “Dos and Don’ts for Residential Appeals”; and (2) “Document Exchange Requirement AKA ‘How NOT to Lose Your Appeal’”.

Recommendation #: 3-b

Agency Addressed: Colorado Board of Assessment Appeals

Original Recommendation in Audit Report:

The Board of Assessment Appeals (the Division) should ensure that parties to a property tax appeal appropriately exchange information prior to the hearing by:

- b. Developing a standard process for handling cases in which one of the parties did not comply with the rule, including establishing criteria under which the Board can decide to accept evidence not exchanged in compliance with its rule and allowing a party to request a continuance in cases in which a party may be placed at a disadvantage due to the opposing party's failure to comply with the rule. This process should also address how the Board will handle information sharing under the requirements of Senate Bill 11-119.

Agency's Response (*i.e., agree, partially agree, disagree*): Agree. Implementation date: December 31, 2012.

Agency's Written Response in Audit Report:

The Division will develop a standard process for handling cases in which one of the parties did not comply with Rule 11(b) (documentation exchange), including establishing criteria under which the Board can decide to accept evidence not exchanged in compliance with the rule and allowing a party to request a continuance in cases in which he or she may be placed at a disadvantage due to the opposing party's failure to comply with the rule. This process will also address how the Board will handle information sharing under the requirements of Senate Bill 11-119. The Division will implement part b of Recommendation No. 3 by December 31, 2012.

Current Implementation Status of Recommendation (i.e., Implemented, Implemented and Ongoing, Partially Implemented, Not Implemented, or No Longer Applicable): Partially Implemented

Agency's Comments on Implementation Status of Recommendation: The Division has begun to develop a standard process for handling cases in which one of the parties did not comply with Rule 11. The Administrator for the Board has reviewed the issue and will be presenting suggested criteria to Board members for input prior to finalizing the policy. This process will be fully implemented by December 31, 2012.

Recommendation #: 3-c

Agency Addressed: Colorado Board of Assessment Appeals

Original Recommendation in Audit Report:

The Board of Assessment Appeals (the Division) should ensure that parties to a property tax appeal appropriately exchange information prior to the hearing by:

- c. Evaluating the need to extend the time frames so that parties are required to exchange information earlier than 10 days prior to the hearing and to provide rebuttal information earlier than 3 days prior to the hearing, and based on this evaluation, amending the Board rule as necessary. In doing so, this may require communicating with taxpayer petitioners earlier in the process to further facilitate adherence to the exchange of information rule.

Agency's Response (*i.e., agree, partially agree, disagree*): Agree. Implementation date: December 31, 2012.

Agency's Written Response in Audit Report:

The Division will evaluate the need to extend the time frames so that parties are required to exchange information earlier than 10 days prior to the hearing and to provide rebuttal information earlier than 3 days prior to the hearing. Based on this evaluation, the Division will suggest amending Board Rule 11(b), as necessary. The Division will establish a process for communicating with taxpayer petitioners earlier in the process to further facilitate adherence to the exchange of information rule. The Division will implement part c of Recommendation No. 3 by December 31, 2012.

Current Implementation Status of Recommendation (i.e., Implemented, Implemented and Ongoing, Partially Implemented, Not Implemented, or No Longer Applicable): Implemented.

Agency's Comments on Implementation Status of Recommendation: The Division has evaluated the need to extend the time frames for document exchange. The Division gathered input from Board members and discussed the issue with attorneys representing parties in BAA appeals. The Division has suggested amending Board Rule 11(b).

The suggested rule change in Rule 11 (b) relates to the timing of document exchanges by the parties in BAA appeals. The Division has suggested that the period of time of 10 business days be extended to 30 calendar days. The purpose of this suggested rule change is to allow the parties to have more time to review each other's documentation prior to the hearing. This suggested rule change is part of the Department of Local Affairs Regulatory Agenda for Calendar Year 2013. The Regulatory Agenda was submitted pursuant to HB 12-1008. In preparing for possible rule-making, the Division will establish an appropriate representative group and procedures to solicit input from the representative group. Prior to commencing rule-making,

the Division will also comply with Executive Order 5 (EO5). EO5 creates a process to enhance the relationship between state and local government. EO5 requires state rule making agencies to consult with and engage local governments prior to the promulgation of any rules containing mandates. The Division anticipates completing rulemaking concerning this issue during calendar year 2013.

In evaluating the need to extend the time frame for document exchange, the Division determined that non-compliance with Rule 11 is predominately an issue for taxpayers in non-complex appeals where a small amount of tax is involved and the taxpayer is not represented by an agent or attorney. These taxpayers are less likely to be familiar with hearing processes and the document exchange requirement. The Division has established a process for communicating with these taxpayers to further facilitate adherence to the exchange of information rule. As noted above, these cases are set for a mediation session prior to hearing. If the case is not resolved through mediation, the Division provides the taxpayer with information concerning the document exchange rule in order to further facilitate adherence. The information is provided to the taxpayer prior to the case being re-set for hearing.

Recommendation #: 4

Agency Addressed: Colorado Board of Assessment Appeals

Original Recommendation in Audit Report:

The Board of Assessment Appeals (the Division) should develop a prescribed professional training program that is designed to expose Board members to professional practices that are outside their own specific backgrounds or expertise, and that are pertinent to their roles as hearing officers in a quasi-judicial body. The program should include monitoring and tracking the training received and professional development needs of Board members on an ongoing basis.

Agency's Response (*i.e., agree, partially agree, disagree*): Agree. Implementation date: December 31, 2012.

Agency's Written Response in Audit Report:

Subject to available funding, the Division will develop a prescribed professional training program that is designed to expose Board members to professional practices that are outside their own specific backgrounds or expertise, and that are specifically pertinent to their roles as hearing officers in a quasi-judicial body. The program will include monitoring and tracking the training received and professional development needs of Board members on an ongoing basis. The Division will implement Recommendation No. 4 by December 31, 2012.

Current Implementation Status of Recommendation (i.e., Implemented, Implemented and Ongoing, Partially Implemented, Not Implemented, or No Longer Applicable): Implemented.

Agency's Comments on Implementation Status of Recommendation: The Division has implemented a prescribed professional training program that is designed to expose Board members to professional practices that are outside their own specific backgrounds or expertise, and that are specifically pertinent to their roles as hearing officers in a quasi-judicial body. Effective in 2013, Board members will have access to an extensive library of training materials through membership in the National Association of Hearing Officials (NAHO). The purpose of NAHO is to provide a forum at national, state and regional levels for training and discussion of matters pertaining to administrative hearings. The training materials include video recordings of faculty workshops on topics that include evidence, recent developments in administrative law, credibility and decision writing. The Administrator for the Board will suggest training topics and monitor the training received and professional development needs of Board members on an ongoing basis.

Recommendation #: 5-a

Agency Addressed: Colorado Board of Assessment Appeals

Original Recommendation in Audit Report:

The Board of Assessment Appeals (the Division) should ensure that it provides sufficient information to the parties involved in appeals cases by:

- a. Continuing to improve the informational materials available to parties, including the information provided on the website as well as hard copy brochures and pamphlets. For example, the informational materials should provide “helpful hints” and information regarding what to expect during the hearing process; provide information describing the difference between mass and fee appraisals; provide information on common procedural rules, such as requirements to exchange information; describe the types of evidence expected and the weight and credibility generally given to evidence of different types; and clearly articulate the formality and adversarial nature of the hearing process.

Agency’s Response (*i.e., agree, partially agree, disagree*): Agree. Implementation date: August 31, 2012.

Agency’s Written Response in Audit Report:

The Division will continue to improve the informational materials available to parties, including the information provided on the website as well as hard copy brochures and pamphlets. The updated informational materials will provide updated “helpful hints” and information regarding what to expect during the hearing process; provide information describing the difference between mass and fee appraisals; provide information on common procedural rules, such as requirements to exchange information; information describing the types of evidence expected and the weight and credibility generally given to evidence of different types; and clearly articulate the formality and adversarial nature of the hearing process. The Division will implement part a of Recommendation No. 5 by August 31, 2012.

Current Implementation Status of Recommendation (i.e., Implemented, Implemented and Ongoing, Partially Implemented, Not Implemented, or No Longer Applicable): Implemented.

Agency’s Comments on Implementation Status of Recommendation: The Division has improved the informational materials available to parties. The updated materials include “helpful hints” and information regarding what to expect during the hearing process; provide information describing the difference between mass and fee appraisals; provide information on common procedural rules, such as requirements to exchange information; information describing the types of evidence expected and the weight and credibility generally given to evidence of different types; and clearly articulate the formality and adversarial nature of the hearing process. The helpful hints and materials include the following: a brochure entitled, “Instructions For Taxpayers -- What to Expect at Your Hearing”; a video entitled, “What to Expect at Your Hearing”; a brochure entitled, “Dos

and Don'ts for Residential Appeals”; a brochure entitled, “Document Exchange Requirement AKA ‘How NOT to Lose Your Appeal’”; a brochure entitled, The County's Evidence ‘That's NOT What They Said Before’”; a brochure entitled, “BAA Hearings -- Lawyer Required???? ‘This Kind of Feels Like an Episode of Perry Mason’”; a brochure entitled, “Base Period Example ‘This Sale, NOT that Sale’”; and a brochure entitled, “Understanding Property Taxes in Colorado (Includes Assessor Phone Numbers)”.

Recommendation #: 5-b

Agency Addressed: Colorado Board of Assessment Appeals

Original Recommendation in Audit Report:

The Board of Assessment Appeals (the Division) should ensure that it provides sufficient information to the parties involved in appeals cases by:

- b. Providing online information related to case status, as information technology resources permit.

Agency's Response (*i.e., agree, partially agree, disagree*): Agree. Implementation date: June 30, 2013.

Agency's Written Response in Audit Report:

The Division will update its online case information to include case status, as information technology resources permit, by June 30, 2013.

Current Implementation Status of Recommendation (i.e., Implemented, Implemented and Ongoing, Partially Implemented, Not Implemented, or No Longer Applicable): Not Implemented.

Agency's Comments on Implementation Status of Recommendation: Due to resource limitations, the Division has not started implementation of this item. The Division anticipates beginning implementation of this item during the first quarter of 2013.

Recommendation #: 5-c

Agency Addressed: Colorado Board of Assessment Appeals

Original Recommendation in Audit Report:

The Board of Assessment Appeals (the Division) should ensure that it provides sufficient information to the parties involved in appeals cases by:

- c. Developing and reporting performance statistics on its website.

Agency's Response (*i.e., agree, partially agree, disagree*): Agree. Implementation date: June 30, 2013.

Agency's Written Response in Audit Report:

The Division will develop and report performance statistics on its website, as information technology resources permit, by June 30, 2013.

Current Implementation Status of Recommendation (i.e., Implemented, Implemented and Ongoing, Partially Implemented, Not Implemented, or No Longer Applicable): Not Implemented.

Agency's Comments on Implementation Status of Recommendation: Due to resource limitations, the Division has not started implementation of this item. The Division anticipates beginning implementation of this item during the first quarter of 2013.

Recommendation #: 6

Agency Addressed: Colorado Board of Assessment Appeals

Original Recommendation in Audit Report:

The Board of Assessment Appeals (the Division) should reevaluate its fee structure in terms of whether fees should be based on the characteristics of the assessed property or on the characteristics of the petitions, and in terms of the fee amounts charged to petitioners as a cost-recovery mechanism. If warranted, the Division should work with the Department of Local Affairs to pursue legislation to amend the fee structure.

Agency's Response (*i.e., agree, partially agree, disagree*): Agree. Implementation date: June 2013.

Agency's Written Response in Audit Report:

The Division will evaluate its fee structure in terms of whether fees should be based on the characteristics of the assessed property or on the characteristics of the petitions, and in terms of the fee amounts charged to petitioners as a cost-recovery mechanism. If warranted, the Division will work with the Department of Local Affairs to review the benefits of and opportunities for statutory changes to amend the fee structure. The Division will complete the evaluation by July 31, 2012. If statutory changes are necessary, the Division will work with the Department of Local Affairs to review the benefits of and opportunities for statutory changes during the 2013 Legislative Session.

Current Implementation Status of Recommendation (i.e., Implemented, Implemented and Ongoing, Partially Implemented, Not Implemented, or No Longer Applicable): Partially Implemented.

Agency's Comments on Implementation Status of Recommendation: The Division has evaluated its fee structure in terms of whether the fees should be based on the characteristics of the assessed property or on the characteristics of the petitions, and in terms of the fee amounts charged to petitioners as a cost-recovery mechanism. The Division has worked with the Department of Local Affairs to pursue a statutory change relating to this recommendation, and the Department of Local Affairs has consulted with the Governor's Office. The Division met with the Legislative Audit Committee on October 15, 2012 concerning potential sponsorship of a bill to address this issue. The Legislative Audit Committee referred the matter to Bob Lackner, Esq. at Legislative Legal Services to draft a bill for review by the committee. The Division has been working with Mr. Lackner on the draft of the bill.